

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6398**

**BILL NUMBER: SB 92**

**NOTE PREPARED: Jan 14, 2005**

**BILL AMENDED: Jan 13, 2005**

**SUBJECT:** Internet Gambling.

**FIRST AUTHOR:** Sen. Ford

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill makes it a Class D felony for an operator of an Internet site to knowingly or intentionally use the Internet to engage in unlawful or professional gambling. The bill provides that an interactive computer service has a cause of action against a person who initiates or assists the transmission of a commercial electronic mail message that violates the prohibition against using the Internet to engage in unlawful or professional gambling.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** This bill makes it a Class D felony to knowingly or intentionally use the internet to engage in unlawful gambling: (a) in Indiana, or (b) with a person in Indiana.

*Penalty Provision:* A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor, depending upon mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

**Explanation of State Revenues:** *Penalty Provision:* If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class D felony is \$10,000. However, any additional revenues would likely be small.

**Explanation of Local Expenditures:** *Penalty Provision:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, the amounts would likely be small.

**State Agencies Affected:** Department of Correction.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

**Fiscal Analyst:** Sarah Brooks, 317-232-9559.